

Message Text

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DIA WASHDC

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E.O. 11652: DECONTROL AFTER ONE YEAR
TAGS: PINT, ELAB, IT
SUBJECT: VISENTINI RESIGNATION AVOIDED WITH PCI HELP

REF: A) ROME 15869; B) ROME 15119

1. BEGIN SUMMARY. THE SO CALLED VISENTINI (PRI-MINISTER OF FINANCE) LAW FOR REFORMING THE ITALIAN FISCAL SYSTEM WAS PASSED BY THE CHAMBER OF DEPUTIES ON NOVEMBER 13 WITH 203 VOTES IN FAVOR; 49 AGAINST; 133 ABSTENSIONS. THE MSI AND THE LIBERALS VOTED AGAINST THE PROPOSAL WHILE THE COMMUNISTS AND SOCIALISTS ABSTAINED, DESPITE LABOR OBJECTIONS TO CERTAIN PROVISIONS OF THE LAW, IN ORDER TO AVOID THE THREATENED RESIGNATION OF VISENTINI. END SUMMARY.

2. THE FEDERATION CGIL-CISL-UIL (CCU) STRONGLY CRITICIZED EARLIER VERSIONS OF THIS BILL, PARTICULARLY ARTICLE 31, WHICH PROVIDED FOR A SPECIAL ALLOWANCE FOR WORKERS IN THE INCOME TAX DEPARTMENT. THE
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SPECIAL ALLOWANCE PROVISION WAS INSERTED BY VISENTINI FOLLOWING

A PROLONGED STRIKE BY INCOME TAX WORKERS, WHO ARE MEMBERS OF A SMALL INDEPENDENT UNION. IN ORDER TO AVOID FURTHER DISRUPTION OF THE COUNTRY'S FISCAL SYSTEM, VISENTINI HAS INSISTED ON ACCEDING TO THE FINANCE WORKERS' DEMANDS. THE FEDERATION CGIL-CISL-UIL (CCU) OBJECTED TO THE SPECIAL ALLOWANCE OBSTENSIBLY BECAUSE IT IS NOT IN ACCORDANCE WITH ITS GOAL OF EQUALIZING PAY SCALES WITHIN GOVERNMENT SERVICE AND ALSO BECAUSE THE CCU IS INTENT ON DESTROYING THE FINANCE WORKERS AND OTHER INDEPENDENT UNIONS.

3. THE VERSION OF THE BILL, WHICH WAS PASSED ON NOVEMBER 13, AND MUST NOW GO BACK TO THE SENATE, ELIMINATES THE SPECIAL ALLOWANCE BUT AUTHORIZES UP TO 45 HOURS PER MONTH OVERTIME THROUGH JUNE 31, 1977 FOR WORKERS IN THE INCOME TAX DEPARTMENT IN ORDER TO ELIMINATE EXTENSIVE BACKLOGS (LARGELY CREATED BY PAST STRIKE ACTIVITY). THE NET EFFECT OF THIS SUBSTITUTION IS TO GIVE THE INCOME TAX WORKERS AN INCREASE IN TAKE HOME PAY WHICH IS EQUIVALENT TO WHAT THEY WOULD HAVE RECEIVED UNDER THE SPECIAL ALLOWANCE ARRANGEMENT.

4. COMMENT. THE ABSTENTION OF THE SOCIALISTS AND COMMUNISTS ON THIS VOTE AVOIDED A GOVERNMENT CRISIS SINCE AT LEAST THE SOCIALISTS WERE COMMITTED TO SUPPORTING THE CCU ON THIS ISSUE. WITHIN THE CCU ITSELF THE CGIL SEEMS INTENT ON PURSING THE CURRENT PCI OBJECTIVE OF SUSTAINING THE MORO-LA MALFA GOVERNMENT IN OFFICE. CISL AND UIL ARE MORE INCLINED TO CONTINUE TO OBJECT EVEN TO THE COMPROMISE OVERTIME SOLUTION. BEAUDRY

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